

BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
IN AND FOR THE STATE OF UTAH

ORIGINAL

IN THE
MATTER OF THE PETITION OF THE
DIVISION OF OIL GAS AND MINING
FOR AN ORDER DIRECTING THE
ATTORNEY GENERAL TO RECOVER
CIVIL PENALTIES WITHDRAWING
THE NOTICES OF INTENTION AND
REQUIRING IMMEDIATE RECLAMATION
OR FORFEITING SURETIES FOR THE
APEX BURGIN MINE, PARENS, M 049
009, TRIxie SHAFT MINE AREA,
M 049 024; AND THE TRIxie WEST
EXPLORATION AREA, E, 049, 046.
THE CHIEF CONSOLIDATED MINING
COMPANY DOING BUSINESS AS CHIEF
GOLD MINE SOUTH STANDARD
MINING COMPANY AND TINTIC UTAH
METALS, LLC. IN SECTIONS 11, 15,
21, 22 AND 28, TOWNSHIP 10 SOUTH,
RANGE 2 WEST, SALT LAKE BASIN
MERIDIAN, UTAH COUNTY, UTAH.

Docket No. 2005-013, Cause Nos. M/049/009,
M/049/024, E/049/046

TAKEN AT: The Department of Natural Resources
1594 West North Temple
Salt Lake City, Utah
DATE: Wednesday, October 25, 2006
TIME: 8:00 a.m.

REPORTED BY: Carlton Way, RPR

ATKINSON-BAKER, INC.
COURT REPORTERS
(800) 288-3376
www.depo.com

FILE NO.: A009454

FILED

NOV 20 2006

**SECRETARY, BOARD OF
OIL, GAS & MINING**

A P P E A R A N C E S

BOARD OF OIL, GAS AND MINING

J. James Peacock, Chairman

Robert J. Bayer

Jake Y. Harouny

Douglas E. Johnson

Kent R. Petersen

Samuel C. Quigley (Excused)

Jean Semborski

DIVISION OF OIL, GAS AND MINING

John R. Baza, Director

Mary Ann Wright, Associate Director, Mining

Gil Hunt, Associate Director, Oil and Gas

Steve Schneider, Administrative Policy Coordinator

Julie Carter, Secretary to the Board

Diane Holland, Legal Secretary

ASSISTANT ATTORNEYS GENERAL

Steve F. Alder - Division Attorney

Keli Beard - Division Attorney

Michael S. Johnson - Board Attorney

Stephen Schwendiman - Board Attorney

P R O C E E D I N G S

(Wednesday, October 25, 2006, 8:00 a.m.)

THE CHAIRMAN: We'll proceed with Item Number 2, Docket Number 2005-013, Cause Number M/049/009, M/049/024, E/049/046:

In the matter of the Petition of the Division of Oil Gas and Mining for an order directing the Attorney General to recover civil penalties withdrawing the notices of intention and requiring immediate reclamation or forfeiting sureties for the Apex slash Burgin Mine, parens, M slash 049 slash 009, comma, Trixie Shaft Mine Area, parens, M slash 049 slash 024; and the Trixie West Exploration Area, parens, E slash, 049 slash 046, parens.

The Chief Consolidated Mining Company doing business as Chief Gold Mine South Standard Mining Company and Tintic Utah Metals, LLC.

In sections 11, 15, 21, 22 and 28, Township 10 South, Range 2 West, Salt Lake Basin Meridian, Utah County, Utah.

We will turn to the Division to elaborate on their request.

MS. BEARD: Mr. Chairman, and Board Members, I am Keli Beard, and I'm representing the Division.

1 However, I'm going to turn the time over
2 to Mary Ann Wright. She's going to present the issue
3 before the Board today.

4 THE CHAIRMAN: We all know Mary Ann, but
5 she better raise her hand and be sworn in.

6 MARY ANN WRIGHT,
7 called as a witness by the Requestor, having
8 been duly sworn, was examined and
9 testified as follows:

10 THE WITNESS: Thank you, Keli. Is that
11 better? Can you hear me now?

12 As to the request to approve a
13 modification of the existing stipulation for
14 continuance and dismissal, and I'm here doing this
15 essentially because Steve Alder is not able to be
16 here, so Keli is helping me out

17 What we needed to do was to extend the
18 date for them to perform a couple of items that we
19 need them to provide to the Division.

20 And, as you may recall, this issue was
21 continued without date, and the remaining issues that
22 are still out there. And the reason we wanted to
23 still keep this before the Board is because of the
24 issues of penalty and surety have not been resolved;
25 however, we do have a surety on file; we are holding

1 that. But the issue of penalties that are due to the
2 Division and a revised surety have not been taken care
3 of yet; and cannot be until the company gives
4 information to us, which we've given them until
5 March 31st to do.

6 Are there questions that I can answer
7 about this?

8 THE CHAIRMAN: So your request will be to
9 continue to hold this in abeyance without date?

10 THE WITNESS: Yes, to continue the date
11 and for the Board to approve that modification.

12 THE CHAIRMAN: Board Members, do you have
13 any sentiment to express or questions to ask upon this
14 request by the Division?

15 Hearing or seeing none, is there anyone in
16 the audience that is here concerning this issue?

17 Seeing or hearing none, we would accept
18 the motion from the Board, then, to grant this request
19 for continuation by the Division.

20 MR. PETERSON: Mr. Chairman, I would move
21 that we grant the request to continue this item, I
22 guess, without date?

23 Mary Ann?

24 THE WITNESS: Pardon me?

25 MR. PETERSON: This is to continue it

1 without date?

2 THE WITNESS: Yes.

3 MR. DOUG JOHNSON: Second.

4 THE CHAIRMAN: It's been moved and
5 seconded that we grant the request of the Division for
6 continuance of this item.

7 (Board votes.)

8 THE CHAIRMAN: The motion is approved
9 unanimously, and so you can act accordingly.

10 MS. BEARD: Thank you.

11 THE CHAIRMAN: We have already covered
12 Item 3 at the outset on the matter of the Petro-Hunt,
13 LLC, and will be heard on the December 6th meeting.

14 I am just curious: Were there other
15 people that came in, Diane?

16 MS. HOLLAND: Yes, there was.

17 THE CHAIRMAN: And you will make sure that
18 they get any word that --

19 MS. HOLLAND: Yes, I took their names,
20 addresses and phone numbers so they can.

21 THE CHAIRMAN: All right. We will then
22 conclude the formal agenda of the Board meeting and go
23 back into our informal briefing by the Division.

24 (Matter & Hearing Adjourned)
25

1 REPORTER'S CERTIFICATE

2
3
4 State of UTAH)
5 County of SALT LAKE)
6

7 I, CARLTON WAY, Certified Shorthand
8 Reporter, Registered Professional Reporter, and Notary
9 Public for the State of Utah, do hereby certify:

10 THAT the foregoing hearing was taken by me
11 in shorthand and reduced to writing to the best of my
12 ability.

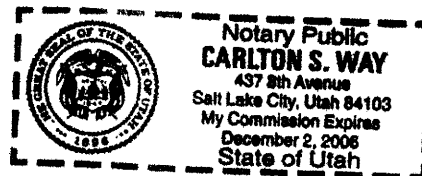
13 THAT the foregoing pages contain a true and
14 correct transcription of my said shorthand notes to
15 the best of my ability.

16 IN WITNESS WHEREOF, I have subscribed my
17 name and affixed my seal this 10th day of November,
18 2006.

19
20 

21 CARLTON WAY, CSR/RPR

22 My commission expires
23 December 6, 2006



A009454
HEARING OCTOBER 25, 2006

<p style="text-align: center;">A</p> <p>abeyance 5:9 ability 7:12,15 able 4:15 about 5:7 accept 5:17 accordingly 6:9 act 6:9 addresses 6:20 Adjourned 6:24 Administrative 2:8 affixed 7:17 agenda 6:22 Alder 2:11 4:15 already 6:11 ann 2:7 4:2,4,6 5:23 answer 5:6 anyone 5:15 apex 1:8 3:11 approve 4:12 5:11 approved 6:8 area 1:8,9 3:12,13 ASSISTANT 2:10 Associate 2:7,8 ATKINSON-BAKER 1:22 attorney 1:5 2:11,11,12 2:12 3:8 ATTORNEYS 2:10 audience 5:16 a.m 1:19 3:2 A009454 1:25</p> <p style="text-align: center;">B</p> <p>back 6:23 basin 1:13 3:19 Bayer 2:3 Baza 2:7 beard 2:11 3:23,24 6:10 before 1:1 4:3,23 best 7:11,15 better 4:5,11 board 1:1 2:2,9,12,12 3:23 4:3,23 5:11,12 5:18 6:7,22 briefing 6:23 burgin 1:8 3:11 business 1:10 3:16</p> <p style="text-align: center;">C</p> <p>C 2:1,5 3:1 called 4:7 came 6:15 care 5:2 carlton 1:20 7:7,20 Carter 2:9 Cause 1:15 3:4 CERTIFICATE 7:1 Certified 7:7 certify 7:9 chairman 2:2 3:3,23 4:4 5:8,12,20 6:4,8 6:11,17,21 chief 1:10,10 3:15,16 City 1:18 civil 1:6 3:8 comma 3:12 commission 7:21</p>	<p>company 1:10,11 3:15 3:17 5:3 concerning 5:16 conclude 6:22 consolidated 1:10 3:15 contain 7:13 continuance 4:14 6:6 continuation 5:19 continue 5:9,10,21,25 continued 4:21 Coordinator 2:8 correct 7:14 county 1:13 3:20 7:5 couple 4:18 COURT 1:23 covered 6:11 CSR/RPR 7:20 curious 6:14</p> <p style="text-align: center;">D</p> <p>D 3:1 date 1:19 4:18,21 5:9 5:10,22 6:1 day 7:17 December 6:13 7:22 department 1:1,17 Diane 2:9 6:15 directing 1:5 3:7 Director 2:7,7,8 dismissal 4:14 division 1:4 2:6,11,11 3:7,21,25 4:19 5:2 5:14,19 6:5,23 Docket 1:15 3:4 doing 1:10 3:16 4:14 DOUG 6:3 Douglas 2:4 due 5:1 duly 4:8</p> <p style="text-align: center;">E</p> <p>E 1:9 2:1,1,4 3:1,1,14 elaborate 3:21 essentially 4:15 examined 4:8 Excused 2:5 existing 4:13 expires 7:21 exploration 1:9 3:13 express 5:13 extend 4:17 E/049/046 1:15 3:5</p> <p style="text-align: center;">F</p> <p>F 2:11 file 1:25 4:25 follows 4:9 foregoing 7:10,13 forfeiting 1:7 3:10 formal 6:22 from 5:18</p> <p style="text-align: center;">G</p> <p>G 3:1 gas 1:1,4 2:2,6,8 3:7 general 1:5 2:10 3:8 Gil 2:8 given 5:4</p>	<p>gives 5:3 go 6:22 going 4:1,2 gold 1:11 3:16 grant 5:18,21 6:5 guess 5:22</p> <p style="text-align: center;">H</p> <p>hand 4:5 Harouny 2:3 having 4:7 hear 4:11 heard 6:13 hearing 5:15,17 6:24 7:10 helping 4:16 her 4:5 hold 5:9 holding 4:25 holland 2:9 6:16,19 Hunt 2:8</p> <p style="text-align: center;">I</p> <p>immediate 1:7 3:10 INC 1:22 informal 6:23 information 5:4 intention 1:6 3:9 issue 4:2,20 5:1,16 issues 4:21,24 item 3:3 5:21 6:6,12 items 4:18</p> <p style="text-align: center;">J</p> <p>J 2:2,3 Jake 2:3 James 2:2 Jean 2:5 John 2:7 johnson 2:4,12 6:3 Julie 2:9 just 6:14</p> <p style="text-align: center;">K</p> <p>keep 4:23 Keli 2:11 3:24 4:10,16 Kent 2:4 know 4:4</p> <p style="text-align: center;">L</p> <p>lake 1:13,18 3:19 7:5 Legal 2:9 LLC 1:12 3:17 6:13</p> <p style="text-align: center;">M</p> <p>M 1:8,9 3:11,12 make 6:17 March 5:5 mary 2:7 4:2,4,6 5:23 matter 1:4 3:6 6:12,24 may 4:20 meeting 6:13,22 Members 3:24 5:12 meridian 1:13 3:20 metals 1:12 3:17 Michael 2:12 mine 1:8,8,11 3:11,12 3:16</p>	<p>mining 1:1,4,10,11 2:2 2:6,7 3:7,15,17 modification 4:13 5:11 motion 5:18 6:8 move 5:20 moved 6:4 M/049/009 1:15 3:5 M/049/024 1:15 3:5</p> <p style="text-align: center;">N</p> <p>N 2:1 3:1 name 7:17 names 6:19 natural 1:1,17 need 4:19 needed 4:17 none 5:15,17 North 1:18 Nos 1:15 Notary 7:8 notes 7:14 notices 1:6 3:9 November 7:17 Number 3:4,4,4 numbers 6:20</p> <p style="text-align: center;">O</p> <p>O 3:1 October 1:19 3:2 oil 1:1,4 2:2,6,8 3:7 order 1:5 3:7 other 6:14 out 4:16,22 outset 6:12 over 4:1</p> <p style="text-align: center;">P</p> <p>P 2:1,1 3:1 pages 7:13 Pardon 5:24 parens 1:8 3:11,12,14 3:14 Peacock 2:2 penalties 1:6 3:8 5:1 penalty 4:24 people 6:15 perform 4:18 Petersen 2:4 PETERSON 5:20,25 petition 1:4 3:6 Petro-Hunt 6:12 phone 6:20 Policy 2:8 present 4:2 proceed 3:3 Professional 7:8 provide 4:19 Public 7:9</p> <p style="text-align: center;">Q</p> <p>questions 5:6,13 Quigley 2:5</p> <p style="text-align: center;">R</p> <p>R 2:1,4,7 3:1 raise 4:5 range 1:13 3:19 reason 4:22</p>	<p>recall 4:20 reclamation 1:7 3:10 recover 1:5 3:8 reduced 7:11 Registered 7:8 remaining 4:21 REPORTED 1:20 Reporter 7:8,8 REPORTERS 1:23 REPORTER'S 7:1 representing 3:24 request 3:22 4:12 5:8 5:14,18,21 6:5 Requestor 4:7 requiring 1:7 3:9 resolved 4:24 resources 1:1,17 revised 5:2 right 6:21 Robert 2:3 RPR 1:20</p> <p style="text-align: center;">S</p> <p>S 2:1,12 3:1 salt 1:13,18 3:19 7:5 Samuel 2:5 Schneider 2:8 Schwendiman 2:12 seal 7:17 Second 6:3 seconded 6:5 Secretary 2:9,9 sections 1:12 3:18 seeing 5:15,17 Semborski 2:5 sentiment 5:13 shaft 1:8 3:12 shorthand 7:7,11,14 slash 3:11,11,11,12,13 3:14,14 south 1:11,12 3:16,19 standard 1:11 3:16 state 1:2 7:4,9 Stephen 2:12 Steve 2:8,11 4:15 still 4:22,23 stipulation 4:13 subscribed 7:16 sure 6:17 sureties 1:7 3:10 surety 4:24,25 5:2 sworn 4:5,8</p> <p style="text-align: center;">T</p> <p>taken 1:17 5:2 7:10 Temple 1:18 testified 4:9 Thank 4:10 6:10 their 3:22 6:19 time 1:19 4:1 tintic 1:11 3:17 today 4:3 township 1:12 3:19 transcription 7:14 trixie 1:8,9 3:12,13 true 7:13 turn 3:21 4:1</p> <p style="text-align: center;">U</p>
--	--	--	--	--

A009454
HEARING OCTOBER 25, 2006

<p>unanimously 6:9 until 5:3,4 utah 1:2,11,13,13,18 3:17,20,20 7:4,9</p> <hr/> <p style="text-align: center;">V</p> <hr/> <p>votes 6:7</p> <hr/> <p style="text-align: center;">W</p> <hr/> <p>wanted 4:22 way 1:20 7:7,20 Wednesday 1:19 3:2 Were 6:14 west 1:9,13,18 3:13,19 We'll 3:3 we've 5:4 WHEREOF 7:16 withdrawing 1:6 3:9 witness 4:7,10 5:10,24 6:2 7:16 word 6:18 wright 2:7 4:2,6 writing 7:11 www.depo.com 1:24</p> <hr/> <p style="text-align: center;">Y</p> <hr/> <p>Y 2:3</p> <hr/> <p style="text-align: center;">0</p> <hr/> <p>009 1:8 3:11 024 1:9 3:13 046 1:9 3:14 049 1:8,9,9 3:11,12,14</p> <hr/> <p style="text-align: center;">1</p> <hr/> <p>10 1:12 3:19 10th 7:17 11 1:12 3:18 15 1:12 3:18 1594 1:18</p> <hr/> <p style="text-align: center;">2</p> <hr/> <p>2 1:13 3:4,19 2005-013 1:15 3:4 2006 1:19 3:2 7:18,22 21 1:12 3:18 22 1:12 3:18 25 1:19 3:2 28 1:12 3:18 288-3376 1:23</p> <hr/> <p style="text-align: center;">3</p> <hr/> <p>3 6:12 31st 5:5</p> <hr/> <p style="text-align: center;">6</p> <hr/> <p>6 7:22 6th 6:13</p> <hr/> <p style="text-align: center;">8</p> <hr/> <p>8:00 1:19 3:2 800 1:23</p>				
--	--	--	--	--